

containers for shipment (whether originating or non-originating) is disregarded and not included in AV, adjusted value, VNM, value of non-originating materials, VOM, value of originating materials, or NC, net cost of a good.

Example. Producer A of the Dominican Republic produces good C. Producer A ships good C to the United States in a shipping container that it purchased from Company B in the Dominican Republic. The shipping container is originating. The value of the shipping container determined under section §10.596(a)(2) of this subpart is \$3. Good C is subject to a regional value content requirement. The transaction value of good C is \$100, which includes the \$3 shipping container. The United States importer decides to use the build-up method, $RVC = (VOM/AV) \times 100$ (see §10.595(c) of this subpart), in determining whether good C satisfies the regional value content requirement. In determining the AV, adjusted value, of good C imported into the U.S., paragraph (b) of this section and the definition of AV require a \$3 deduction for the value of the shipping container. Therefore, the AV is \$97 (\$100 - \$3). In addition, the value of the shipping container is disregarded and not included in the VOM, value of originating materials.

§ 10.603 Indirect materials.

An indirect material, as defined in §10.582(m) of this subpart, will be considered to be an originating material without regard to where it is produced.

Example. Honduran Producer C produces good C using non-originating material A. Producer C imports non-originating rubber gloves for use by workers in the production of good C. Good C is subject to a tariff shift requirement. As provided in §10.594(b)(1) of this subpart and General Note 29(n), each of the non-originating materials in good C must undergo the specified change in tariff classification in order for good C to be considered originating. Although non-originating material A must undergo the applicable tariff shift in order for good C to be considered originating, the rubber gloves do not because they are indirect materials and are considered originating without regard to where they are produced.

§ 10.604 Transit and transshipment.

(a) *General.* A good that has undergone production necessary to qualify as an originating good under §10.594 of this subpart will not be considered an originating good if, subsequent to that production, the good:

(1) Undergoes further production or any other operation outside the territories of the Parties, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to the territory of a Party; or

(2) Does not remain under the control of customs authorities in the territory of a non-Party.

(b) *Documentary evidence.* An importer making a claim that a good is originating may be required to demonstrate, to CBP's satisfaction, that the conditions and requirements set forth in paragraph (a) of this section were met. An importer may demonstrate compliance with this section by submitting documentary evidence. Such evidence may include, but is not limited to, bills of lading, airway bills, packing lists, commercial invoices, receiving and inventory records, and customs entry and exit documents.

§ 10.605 Goods classifiable as goods put up in sets.

Notwithstanding the specific rules set forth in General Note 29(n), HTSUS, goods classifiable as goods put up in sets for retail sale as provided for in General Rule of Interpretation 3, HTSUS, will not be considered to be originating goods unless:

(a) Each of the goods in the set is an originating good; or

(b) The total value of the non-originating goods in the set does not exceed:

(1) In the case of textile or apparel goods, 10 percent of the adjusted value of the set; or

(2) In the case of a good other than a textile or apparel good, 15 percent of the adjusted value of the set.

TARIFF PREFERENCE LEVEL

§ 10.606 Filing of claim for tariff preference level.

Apparel goods of a Party described in §10.607 of this subpart that do not qualify as originating goods under §10.594 of this subpart may nevertheless be entitled to preferential tariff treatment under the CAFTA-DR under an applicable tariff preference level (TPL). To make a TPL claim, the importer must include on the entry summary, or

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equivalent documentation, the applicable subheading in Chapter 98 or 99 of the HTSUS immediately above the applicable subheading in Chapter 61 or 62 of the HTSUS under which each non-originating apparel good is classified. The applicable Chapter 98 and 99 subheadings are:

- (a) Subheading 9822.05.11 or 9822.05.13 for goods described in § 10.607(a);
- (b) Subheading 9915.61.01 for goods described in § 10.607(b) and (c);
- (c) Subheading 9915.62.05 for goods described in § 10.607(d);
- (d) Subheading 9915.62.15 for goods described in § 10.607(e); and
- (e) Subheading 9915.61.03 or 9915.61.04 for goods described in § 10.607(f);

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§ 10.607 Goods eligible for tariff preference level claims.

The following goods are eligible for a TPL claim filed under § 10.606 of this subpart:

(a) *Cumulation for certain woven apparel goods of a Party.* In accordance with General Note 29(d)(vii), HTSUS, for purposes of determining whether a good of Chapter 62, HTSUS, is an originating good, materials used in the production of the good produced in the territory of Mexico that would have been considered originating if produced in the territory of a Party, will be considered as having been produced in the territory of a Party. The applicable product-specific and chapter rules for Chapter 62, HTSUS, set forth in General Note 29, HTSUS, must be satisfied. The preferential tariff treatment is limited to the quantities specified in U.S. Note 21(b), Subchapter XXII, Chapter 98, HTSUS, except that the following goods made from wool fabric are not subject to these limits: men's and boys' and women's and girls' suits, trousers, suit-type jackets and blazers and vests and women's and girls' skirts, provided that such goods are not made of carded wool fabric or made from wool yarn having an average fiber diameter of not over 18.5 microns. Subheading 9822.05.11, HTSUS, applies to the goods described above that are subject to quantitative limits while subheading 9822.05.13, HTSUS, applies to the goods described above that are not subject to such limits;

(b) *Cotton or man-made fiber apparel goods of Nicaragua.* Cotton or man-made fiber apparel goods described in U.S. Note 15(b), Subchapter XV, Chapter 99, HTSUS, that are both cut (or knit-to-shape) and sewn or otherwise assembled in the territory of Nicaragua, and that meet the applicable conditions for preferential tariff treatment under the CAFTA-DR, other than the condition that they are originating goods. The preferential tariff treatment is limited to the quantities specified in U.S. Note 15(c), Subchapter XV, Chapter 99, HTSUS;

(c) *Men's wool sport coats of Nicaragua.* Men's sport coats described in U.S. Note 15(b), Subchapter XV, Chapter 99, HTSUS, provided that the component that determines the tariff classification of the good is of carded wool fabric of subheading 5111.11.70, 5111.19.60, or 5111.90.90, HTSUS, the goods are both cut (or knit-to-shape) and sewn or otherwise assembled in the territory of Nicaragua, and the goods meet the applicable conditions for preferential tariff treatment under the CAFTA-DR, other than the condition that they are originating goods. The preferential tariff treatment is limited to the quantities specified in U.S. Note 15(c), Subchapter XV, Chapter 99, HTSUS;

(d) *Apparel goods of Costa Rica, not knitted or crocheted.* Apparel goods described in U.S. Note 16(b), Subchapter XV, Chapter 99, HTSUS, not knitted or crocheted, containing 36 percent or more by weight of wool or subject to wool restraints, provided that the goods are both cut and sewn or otherwise assembled in the territory of Costa Rica, meet the applicable conditions for preferential tariff treatment under the CAFTA-DR, other than the condition that they are originating goods, and comply with the requirements set forth in chapter rules 1, 3, 4, and 5 for Chapter 62 of General Note 29, HTSUS. The preferential tariff treatment is limited to the quantities specified in U.S. Note 16(a), Subchapter XV, Chapter 99, HTSUS.;

(e) *Apparel goods of Costa Rica made from wool fabric.* Apparel goods described in U.S. Note 16(d), Subchapter XV, Chapter 99, HTSUS, made from fabric of wool (except fabric of carded wool or fabric made from wool yarn